

**State of New Hampshire Insurance Department
56 Old Suncook Road
Concord, New Hampshire 03301**

**Paula T. Rogers
Commissioner**

**BULLETIN
Docket No. INS NO. 01-028-AB**

DATE: December 18, 2001

TO: ALL PROPERTY & CASUALTY INSURERS

FROM: Paula T. Rogers, Commissioner

RE: RENEWAL NOTICE REQUIREMENTS- RSA 417-C

The purpose of this Bulletin is to review the renewal notice requirements of New Hampshire law for all commercial Property & Casualty lines of insurance other than workers compensation.

An insurer properly providing notice of renewal or non-renewal must provide that notice in writing to the named insured. That may be done directly from the insurer or through its appointed producer. The length of advance notice required to be provided to the insured varies depending upon the renewal premium.

A renewal premium quote less than current year premium, the same as current year premium, or greater than current year premium by no more than 25%, requires advance written notice to the insured no later than 30 days prior to the renewal date if the insurer has necessary information to issue the renewal. (See RSA 417-C:4 I)

A renewal premium quote with an increase of greater than 25% of the current year premium requires advance written notice to the insured no later than 60 days prior to the renewal date. Because an increase of greater than 25% constitutes a constructive nonrenewal, the necessary notice of nonrenewal should be accompanied by a statement from the insurer citing New Hampshire law on constructive nonrenewal and also indicate the insurer's intention to a renewal. (See RSA 417-C:3 and RSA-C:5)

Premium increase of 25% or less:

If the insurer has the necessary information to issue the renewal policy, the insurer shall confirm the renewal premium, by written notice, at least 30 days prior to policy expiration. (See RSA 417-C 4 I)

If an insurer is unable to give notice 30 days in advance of the renewal date, renewal coverage must be provided at expiring rates, on a pro-rata basis, until the insured has had 30 days notice. (See RSA 417-C:4 II)

Premium increase of more than 25%:

Any premium increase of more than 25% shall be considered a constructive non-renewal and must provide a minimum of 60 days written notice prior to the expiration or anniversary date of the policy. (See RSA 417-C:5)

If the insurer fails to provide the written notice 60 days prior to the expiration or anniversary date of the policy, the insurer may not increase the premium more than 25% for a one year period following the renewal or anniversary date and the provisions of RSA 417-C:4 I & II shall apply.

Premium changes due to bonafide and documented increases or decreases in rating basis such as payroll, sales, classifications or buildings etc. are not considered changes in premium within the intent of RSA 417-C:5. In these instances percentage increases in rates rather than premium will be the determining factor.

Other Provisions:

A change in policy provisions such as a decrease in coverage or limits of insurance or increases in deductibles (other than those approved by the Department to apply to all insureds) from an expiring policy are not considered by the Department to be an offer to renew a policy. It is the Department's position that this is "constructive" non-renewal and such amendments can only be made with notice 60 days in advance of renewal or anniversary date.

The policy expiration or anniversary date can not be extended or shortened in order to circumvent the advance notice requirements unless mutually agreed to by the insurer and the named insured.

Nothing in RSA 417-C is meant to prevent an insured from accepting mutually (insurer and insured) agreeable renewal provisions, premium and coverages.